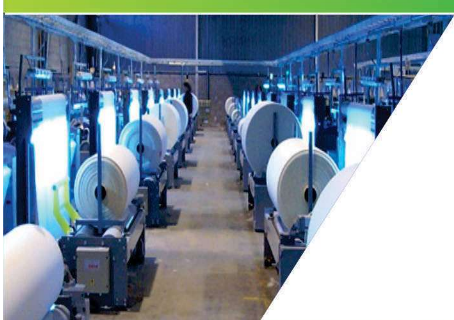

ANNUAL REPORT 2016

Shadab Textile Mills Limited

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	Mian Aamir Naseem	**Chief Executive**
	Mian Farrukh Naseem	**(Chairman)**
	Mian Shahzad Aslam	
	Mr. Yasir Naseem	
	Mr. Hamza Naseem	
	Mrs. Fatima Aamir	
	Mrs. Hina Farrukh	
AUDIT COMMITTEE	Mian Farrukh Naseem	**Chairman**
	Mr. Hamza Naseem	**Member**
	Mrs. Hina Farrukh	**Member**
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian Farrukh Naseem	**Chairman**
	Mian Aamir Naseem	**Member**
	Mr. Hamza Naseem	**Member**
CHIEF FINANCIAL OFFICER	Mr. Mazhar Hussain	
COMPANY SECRETARY	Mr. Mazhar Hussain	
AUDITORS	M/s. Fazal Mahmood & Company Chartered Accountants	
SHARE REGISTRAR	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35887262, 35839182 Fax: 042-35869037	
BANKERS	National Bank of Pakistan Bank Al-falah Limited	
REGISTERED OFFICE	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore. Ph: 042-35788714-16	
WEBSITE ADDRESS	www.shadabtextile.com	
MILLS	Nasimabad, Shahkot, District Nankana Sahib.	

VISION STATEMENT

To Strive for excellence through commitments, integrity, honesty and team work.

MISSION STATEMENT

To be a model amongst the textile spinning, capable of producing high quality blended and hundred percent cotton yarn both for knitting and weaving.

- Complete satisfaction of Buyers/Consumers is our Motto.
- Manufacturing of blended and hundred percent cotton yarn as per the customers' requirements and market demand.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Betterment of Mills Employees as quality policy.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the Shareholders of **SHADAB TEXTILE MILLS LIMITED** will be held on Monday, October 31, 2016 at 10:00 a.m. at the Registered Office of the Company at A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2016 together with Directors' and Auditors' Reports thereon.
2. To declare and approve the Final Cash Dividend at Rs. 4.37 per share i.e. 43.74% for the year ended June 30, 2016 as recommended by the Board of Directors.
3. To appoint auditors for the year 2016-2017 and fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification for alterations in the Articles of Association of the Company:

"RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), Articles of Association of the Company be and are hereby amended by inserting a new Article 62-A immediately to read as under;

62-A. Electronic Voting: The Company shall comply with the mandatory e-voting requirements as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time and members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article.

"RESOLVED FURTHER that the Chief Executive Officer or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."

By order of the Board

(Mazhar Hussain)
Company Secretary

LAHORE: October 5, 2016

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 25, 2016 to October 31, 2016 (both days inclusive). Transfers received at Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company by the close of business on October 24¬, 2016 will be treated in time for the purpose of above entitlement to the transferees.
2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the time of holding the meeting. A proxy must be a member.
3. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

a. For attending the meeting

i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii. In case of corporate entity, the Board of directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

b. For Appointing Proxies

i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

v. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

4. Submission of Copies of Valid CNICs: Shareholders are once again requested to submit copy of their valid CNIC mentioning company name & Folio Number at our Share Registrar's address for compliance of SECP SRO No. 831(1)/2012. In case of non-receipt of copy of valid CNIC, the company may be constrained to withhold dispatch of dividend warrants.

5. Deduction of Income Tax under section 150 of the Income Tax Ordinance, 2001: Through the Finance Act 2016, effective July 01, 2016, the rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 has been revised. New tax rates are (a) For Filers of Income Tax return 12.5% (b) For Non-Filers of Income Tax Return 20%.

   At the time of dividend distribution, the Company, being a withholding agent, would check each shareholder status on the ATL and if the shareholder's name does not appear on the ATL, the increased rate of withholding tax at 20% would be applied. In the instance of a 'filer' withholding tax rate of 12.5% will be applicable.

   The FBR has clarified that withholding tax will be determined separately on 'Filer/Non Filer' status of Principal shareholder as well as joint-holders(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders, who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in the following format:

Folio No./ CDS Account No.	Name of Principal Shareholder/ Joint Holders	Shareholding Proportions	CNIC/Passport No. (Copy attached)	Signature

   The required information must reach our Share Registrar by the close of business on October 24, 2016, otherwise it will be assumed that the shares are equally held by Principal Shareholder and joint holders.

6. Transmission of Annual Financial Statements through Email: SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email, those shareholders who are interested in receiving the annual reports electronically in future are required to submit their e-mail address at Registered Office of the Company on a standard request form which is available on Company's website: www.shadabtexile.com.

7. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements of the Company for the year ended June 30, 2016 are being placed on the Company's website: www.shadabtextile.com.

8. Shareholders are requested to immediately notify the change of address, if any to Share Registrar of the Company.

Statement under Section 160(1)(b) of the Companies Ordinance, 1984

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on October 31, 2016.

Alteration in the Articles of Association

Securities and Exchange Commission has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1) /2016. The directors have recommended alteration in the Articles of Association by inserting a new Articles of Association by inserting a new Article 62-A therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. Accordingly, it has been proposed to pass the resolution as Special Resolution for alteration the Articles of Association of the Company, as specified in the notice of meeting.

The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.

DIRECTORS' REPORT

Dear Shareholders,

The Directors of the Company welcome you to the 37th Annual General Meeting and are pleased to present the Annual Report together with Audited Accounts of the Company for the year ended June 30, 2016.

Financial Results

The financial results of the Company in comparative form are as follows:-

	(RUPEES IN THOUSAND)	
	June 30 2016	**June 30 2015**
Sales - net	**1,861,576**	1,852,800
Cost of sales	**1,760,578**	1,769,185
GROSS PROFIT	**100,998**	83,615
Administrative and general	**41,830**	40,611
Selling and distribution	**2,039**	400
	43,869	41,011
OPERATING PROFIT	**57,129**	42,604
Finance costs	**13,414**	15,818
Other charges	**3,155**	2,093
	40,560	24,693
Other income	**2,009**	3,548
PROFIT BEFORE TAXATION	**42,569**	28,241
Taxation	**9,762**	2,790
PROFIT AFTER TAXATION	**32,807**	25,451
Basic earning per share (Rupees)	**10.94**	8.48

During the year under review, your Company earned profit after tax Rs. 32.807 million as compared to after tax profit Rs. 25.451 million of the previous year. The net sales made in the year are amounting to Rs. 1,861.576 million as compared to previous year sale of Rs. 1,852.800 million showing slightly increase of 0.47 % against previous year sales. Earning per share is Rs. 10.94 as compared to Rs. 8.48 per share.

The profitability of the Company has increased as compared to previous year due to continuous supply of energy to the textile sector in the shape of RLNG and reduction in electricity tariff by Rs.3.00/kwh w.e.f. January 01, 2016 and reduction in finance cost due to repayment of long term loans, decline in market rate and efficient working capital management.

The management is continuously making efforts to make BMR of the existing facilities and take new investment initiative to cope with regional competitors in technology related advantage through own resources. The Company has strategic plan to diversify its product line, addition of new qualities and blends of yarn and improvement in production capacity to compete with other spinning units.

The current situation of textile industry in Pakistan is not good and it seems that in the coming period the textile industry is yet to confront a more miserable situation. High energy rates in shape of RLNG cost prevailing in the country alongwith inflationary pressures and high prices of raw material, market conditions are not favourable and the sale is not absorbing its raw material and other cost, resultantly the textile units are forced to close of their operation due to heavy losses.

However, the management is striving hard to achieve the better results by improving performance of mills in terms of production, yield, quality and utilization of installed capacity within the available facilities.

Dividend

The Board of Directors has recommended a Final Cash Dividend of Rs. 4.37 per share i.e. @ 43.74% to the shareholders of the Company.

Corporate and Financial Reporting Framework

a. The financial statements, prepared by the management of the company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity.

b. Proper books of account have been maintained by the Company.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the company's ability to continue as a going concern.

g. Key operating and financial data of last six years is annexed to the annual report.

h. There are no outstanding statutory payments on account of taxes, duties, levies and charges except routine payments of various levies.

i. Value of investments of provident fund as on 30-06-2016 was Rs. 73.335 million.

j. The pattern of shareholding and the additional information as required by the CCG is annexed to the annual report.

k. Directors, CEO, CFO, Company Secretary and their spouses and minor children have not traded in the company's shares during the year.

Board of Directors

During the year, Shareholders at an Extra Ordinary General Meeting held on March 28, 2016 elected seven directors in accordance with the provisions of section 178 of the Companies Ordinance, 1984 for a term of three years. The elected directors were:

	Name
1.	Mian Aamir Naseem
2.	Mian Farrukh Naseem
3.	Mian Shahzad Aslam
4.	Mr. Saad Naseem
5.	Mr. Ahmad Naseem
6.	Mr. Yasir Naseem
7.	Mrs. Fatima Aamir

Further, the Board of Directors in their meeting held on April 5, 2016 re-appointed Mian Aamir Naseem as Chief Executive of the Company at existing remuneration of Rs. 175,000/- per month along with un-changed perquisites. Appropriate disclosure as required under Section 218 of Companies Ordinance 1984 has already been made.

During the year six meetings of the Board of Directors were held and attendance of these meetings is as under:-

Name of Director	No. of Meetings Attended	
Mian Aamir Naseem	6	
Mian Farrukh Naseem	6	
Mr. Saad Naseem	5	Resigned on 23-04-2016
Mian Shahzad Aslam	2	
Mr. Ahmed Ali Tariq	3	Resigned on 23-12-2015
Mr. Yasir Naseem	6	
Mr. Ahmad Naseem	2	Resigned on 23-04-2016
Mr. Hamza Naseem	1	Appointed on 23-04-2016
Mrs. Fatima Aamir	6	
Mrs. Hina Farrukh	1	Appointed on 23-04-2016

Leave of absence was granted to Directors who could not attend the meeting. During the year Mr. Ahmed Ali Tairq has resigned and Mr. Ahmad Naseem was appointed in his place. Thereafter, Mr. Saad Naseem and Mr. Ahmad Naseem has resigned. Mr. Hamza Naseem and Mrs. Hina Farrukh were appointed in their place.

Audit Committee

During the year six meetings of the Audit Committee were held and attendance of these meetings is as under:-

Name	No. of Meetings Attended	
Mr. Saad Naseem	4	Resigned
Mian Farrukh Naseem	6	
Mr. Ahmed Ali Tariq	3	Resigned
Mr. Ahmed Naseem	1	Appointed & Resigned
Mr. Hamza Naseem	2	Appointed
Mrs. Hina Farrukh	2	Appointed

The fresh composition of the Audit Committee is as under:

Mian Farrukh Naseem	Chairman
Mr. Hamza Naseem	Member
Mrs. Hina Farrukh	Member

Human Resource Committee

In compliance with the Code of Corporate Governance, the Board of Directors has constituted a Human Resource Committee. It comprises three members, of whom two are non-executive directors and the Chairman of the committee is a non-executive director. The attendance of meeting held during the year is as under:-

Name	No. of Meetings Attended	
Mian Farrukh Naseem	1	
Mian Aamir Naseem	1	
Mr. Saad Naseem	1	Resigned
Mr. Hamza Naseem	--	Appointed

The fresh composition of the Huma Resource & Remuneration Committee is as under:

Mian Farrukh Naseem	Chairman
Mian Aamir Naseem	Member
Mr. Hamza Naseem	Member

Directors Training Programme

In accordance with criteria specified on clause (xi) of CCG, three of Directors of the Company are exempted from the requirement of Directors' training program, one director is certified and the rest of the directors to be trained within specified time. However, no director obtained training during the year.

Auditors

The present Auditors M/s Fazal Mehmood & Company, Chartered Accountants, retire and being eligible offer themselves for re-appointment. The audit committee of the board has recommended the re-appointment of M/s Fazal Mahmood & Company, Chartered Accountants, as external auditors of the Company for the year 2016-2017.

Corporate Social Responsibility

The company recognizes that the key to successful and sustainable business is to give back to the society from where we derive economic benefits. We create value for our local community, employees and the government by providing a vast array of facilities to our employees, financial assistance to the families of our deceased employees, promoting a better work life balance amongst our employees, contributing regularly to the national exchequer as per law.

Health, Safety and Environment:

We work continuously to ensure that our employees work in a safe and healthy working environment. Besides, the Company is registered with Social Security Department of the Government and pay regular contribution for the health of worker of the Company.

Work-Life Balance:

In order to promote a health work – life balance we strictly follow a 9:00 a.m to 5:30 p.m. working routine. This ensures that our employees have plenty of time after work for extra -curricular activities with their families and friends.

Business Ethics and Anti-corruption Measures:

The management is committed to conduct all business activities with integrity, honestly and in full compliance with the current laws and regulations. A code of conduct has been developed and approved by the Board, which is signed by all employees.

Contribution to the National Exchequer:

To meet our legal and social obligation towards the development of the economy of the country, the company has contributed Rs. 119.236 million in the FY 2015-16 into the Government exchequer on account of taxes, levies, excise duty and sales tax.

Energy Conservation:

The Company has taken many measures at mill premises to conserve the energy by fixing energy conserving devices.

Acknowledgements

The board avails the opportunity to appreciate the devoted work done by the executives, officers, staff and workers of the company.

For and on behalf of the Board

Aamir Naseem

Lahore: October 05, 2016

MIAN AAMIR NASEEM
(Chief Executive)

مجلس نظماء کی رپورٹ

محترم حصص یافتگان،

کمپنی کمپنی کی مجلس نظماء 37 ویں سالانہ عام اجلاس میں آپ کا استقبال کرتی ہے اور 30 جون 2016 کو ختم ہونے والے سال کے لیے کمپنی نظر ثانی شدہ حسابات کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتی ہے۔

مالیاتی نتائج

کمپنی کے مالیاتی نتائج تقابلی شکل میں حسب ذیل ہیں:-

	30 جون 2016	30 جون 2015
	روپے ہزاروں میں	
خالص فروخت	**1,861,576**	1,852,800
فروخت کی لاگت	**1,760,578**	1,769,185
مجموعی منافع	**100,998**	83,615
انتظامی اور عمومی	**41,830**	40,611
فروخت اور تقسیم	**2,039**	400
	43,869	41,011
آپریٹنگ منافع	**57,129**	42,604
مالی لاگت	**13,414**	15,818
دیگر واجبات	**3,155**	2,093
	40,560	24,693
دیگر آمدنی	**2,009**	3,548
قبل از ٹیکس منافع	**42,569**	28,241
ٹیکس	**9,762**	2,790
بعد از ٹیکس منافع	**32,807**	25,451
فی شیئر بنیادی آمدنی (روپے)	**10.94**	8.48

زیر جائزہ سال کے دوران، کمپنی نے گذشتہ سال کے بعد از ٹیکس منافع 25.451 ملین روپے کے مقابلے بعد از ٹیکس منافع 32.807 ملین روپے بعد منافع کمایا۔ سال میں کی جانے والی خالص فروخت گذشتہ سال 1,852.800 ملین روپے پچھلے سال کی فروخت کے برعکس 0.47 فیصد کا اضافہ ظاہر کر رہی ہیں۔ فی شیئر آمدنی گذشتہ سال 8.48 روپے فی شیئر کے مقابلے 10.94 روپے فی شیئر ہے۔

RLNG کی شکل میں ٹیکسٹائل کے شعبے کو بجلی کی مسلسل فراہمی اور یکم جنوری 2016 سے بجلی کے نرخوں میں 3.00/kwh روپے کمی اور طویل مدتی قرضوں کی واپسی کی وجہ سے مالی لاگت میں کمی، مارکیٹ کے نرخوں میں کمی اور موثر ورکنگ کیپٹل مینجمنٹ کے باعث گذشتہ سال کے مقابلے میں کمپنی کے منافع میں اضافہ ہوا ہے۔

انتظامیہ موجودہ سہولیات کی بی ایم آر بڑھانے اور علاقائی حریفوں سے نمٹنے کیلئے اپنے وسائل کے ذریعے مفید ٹیکنالوجی میں نئی سرمایہ کاری کرنے کی مسلسل کوششیں کر رہی ہے۔ کمپنی دیگر سپننگ یونٹوں کے ساتھ مقابلہ کرنے کے لئے اپنی مصنوعات کی لائن کو متنوع کرنے، یارن کی نئی خصوصیات اور بلینڈز کا اضافہ اور پیداواری صلاحیت کو بہتر بنانے کی حکمت عملی کا منصوبہ رکھتی ہے۔

پاکستان میں ٹیکسٹائل صنعت کی موجودہ صورتحال بہتر نہیں ہے اور لگتا ہے کہ آنے والے دنوں میں ٹیکسٹائل صنعت کو مزید قابل رحم صورت حال کا سامنا کرنا پڑے۔ ملک میں RLNG کی عمومی لاگت کی شکل میں بجلی کی اعلیٰ شرح، افراط زر کے دباؤ اور خام مال کی بلند قیمتوں سمیت مارکیٹ کے حالات ساز گار نہیں ہیں اور فروخت اپنے خام مال اور دیگر اخراجات پورے نہیں کر سکتی ہے، نتیجے میں ٹیکسٹائل یونٹس بھاری نقصانات کی وجہ سے اپنے آپریشن بند کرنے پر مجبور ہیں۔

تاہم، انتظامیہ دستیاب سہولیات کے اندر نصب پیداواری صلاحیت، حصالہ، معیار اور استعمال کے لحاظ سے ملوں کی کارکردگی بہتر بنا کر اچھے نتائج حاصل کرنے کے لئے سخت کوشش کر رہی ہے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے کمپنی کے حصص یافتگان کو 4.37 روپے فی شیئر یعنی 43.74 فیصد کی شرح سے حتمی نقد منافع منقسمہ کی سفارش کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

a۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔

b۔ کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

c۔ مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

d۔ مالی حسابات کو کمپنیز آرڈیننس 1984 کے قوانین کے تحت تیار کیا گیا ہے اور اس کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں انکشاف اور وضاحت کی گئی ہے۔

e۔ اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

f۔ کمپنی کے گوئنگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

g۔ گزشتہ چھ سال کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

h۔ مختلف لیویز کی معمول کی ادائیگیوں کے علاوہ ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ہیں۔

i۔ 30 جون 2016 کے مطابق پراویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 73.335 ملین روپے ہے۔

j۔ شیئر ہولڈنگ کا پیٹرن اور CCG کو درکار اضافی معلومات اس سالانہ رپورٹ کے ہمراہ منسلک ہیں؛

k۔ سال کے دوران کمپنی کے حصص میں اس کے ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری اور ان کے زوج اور نابالغ بچوں کی طرف سے کوئی تجارت نہیں ہوئی ہے۔

بورڈ آف ڈائریکٹرز

سال کے دوران، 28 مارچ 2016 کو منعقدہ غیر معمولی اجلاس عام میں حصص یافتگان نے کمپنیز آرڈیننس 1984 کی دفعہ 178 کے مطابق سات ڈائریکٹرز منتخب کئے۔

منتخب ڈائریکٹرز تھے:

نام

1۔ میاں عامر نسیم
2۔ میاں فرخ نسیم
3۔ میاں شہزاد اسلم
4۔ جناب سعد نسیم
5۔ جناب احمد نسیم
6۔ جناب یاسر نسیم
7۔ محترمہ فاطمہ عامر

مزید برآں، بورڈ آف ڈائریکٹرز نے 5 اپریل 2016 کو منعقدہ اپنے اجلاس میں کمپنی کے چیف ایگزیکٹو کے طور پر میاں عامر نسیم کو موجودہ -/175,000 روپے ماہانہ مشاہرہ معہ دیگر سہولیات دوبارہ مقرر کیا ہے۔ کمپنیز آرڈیننس 1984 کی دفعہ 218 کے تحت درکار تصرفات کا مناسب انکشاف پہلے ہی کیا گیا ہے۔

سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے اوران اجلاسوں میں حاضری حسب ذیل ہے:-

نام ڈائریکٹر	تعداد حاضری	
میاں عامر نسیم	6	
میاں فرخ نسیم	6	
جناب سعد نسیم	5	23-04-2016 کو مستعفی ہو گئے
میاں شہزاد اسلم	2	
جناب احمد علی طارق	3	23-12-2015 کو مستعفی ہو گئے
جناب یاسر نسیم	6	
جناب احمد نسیم	2	23-04-2016 کو مستعفی ہو گئے
جناب حمزہ نسیم	1	
محترمہ فاطمہ عامر	6	
محترمہ حنا فرخ	1	23-04-2016 کو مقرر ہوئیں

ڈائریکٹرز جو اجلاس میں شرکت نہیں کر سکے کو غیر موجودگی کی رخصت عطا کی گئی تھی۔ سال کے دوران جناب احمد علی طارق نے استعفی دے دیا اور ان کی جگہ جناب احمد نسیم کو مقرر کیا گیا تھا۔ اس کے بعد جناب سعد نسیم اور جناب احمد نسیم نے استعفی دے دیا، ان کی جگہ جناب حمزہ نسیم اور محترمہ حنا فرخ کو مقرر کیا گیا تھا۔

آڈٹ کمیٹی

سال کے دوران آڈٹ کمیٹی کے چھ اجلاس منعقد ہوئے اوران اجلاسوں میں حاضری حسب ذیل ہے:-

نام	تعداد حاضری	
جناب سعد نسیم	4	مستعفی
میاں فرخ نسیم	6	
جناب احمد علی طارق	3	مستعفی
جناب احمد نسیم	1	تقرر & مستعفی
جناب حمزہ نسیم	2	تقرر
مسز حنا فرخ	2	تقرر

آڈٹ کمیٹی کی تازہ تشکیل حسب ذیل ہے:

میاں فرخ نسیم	چیئرمین
جناب حمزہ نسیم	رکن
مسز حنا فرخ	رکن

ہیومن ریسورس کمیٹی

کارپوریٹ گورننس کے ضابطہء اخلاق کے مطابق، بورڈ آف ڈائریکٹرز نے ہیومن ریسورس کمیٹی تشکیل دی ہے۔ یہ تین ارکان پر مشتمل ہے، جن میں سے دو غیر ایگزیکٹو ڈائریکٹر ہیں اور کمیٹی کا چیئرمین غیر ایگزیکٹو ڈائریکٹر ہے۔ سال کے دوران منعقد ہونے والے اجلاس کی حاضری حسب ذیل ہے:-

نام	تعداد حاضری	
میاں فرخ نسیم	1	
میاں عامر نسیم	1	
جناب سعد نسیم	1	مستعفی ہو گئے
جناب حمزہ نسیم	-	تقرر

ہیومن ریسورس اینڈ ریمنریشن کمیٹی کی تازہ تشکیل حسب ذیل ہے:

میاں فرخ نسیم چیئرمین

میاں عامر نسیم رکن

جناب حمزہ نسیم رکن

ڈائریکٹرز ٹریننگ پروگرام

CCG کی شق (XI) پر مجوزہ معیار کے مطابق، کمپنی کے تین ڈائریکٹرز تربیتی پروگرام کی ضرورت سے مستثنٰی ہیں، ایک ڈائریکٹر سند یافتہ ہے اور باقی ڈائریکٹرز مجوزہ وقت میں کام سیکھ چکے ہیں۔ تاہم، سال کے دوران کسی ڈائریکٹر نے تربیت حاصل نہیں کی۔

محاسب

موجودہ محاسب میسرز فضل محمود اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوگئے ہیں اور دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی نے سال 2017-2016 کے لئے کمپنی کے بیرونی محاسب کے طور پر میسرز فضل محمود اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی تسلیم کرتی ہے کہ معاشرہ کو اقتصادی فوائد پہنچانا کامیاب اور پائیدار کاروبار کی کلید ہے۔ ہم، اپنے ملازمین کو وسیع سہولیات کی فراہمی، اپنے مرحوم ملازمین کے خاندانوں کی مدد، اپنے ملازمین کے درمیان بہتر کام اور زندگی کے توازن کا فروغ، قانون کے مطابق قومی خزانے میں باقاعدہ حصہ فراہم کر کے اپنی مقامی کمیونٹی، ملازمین اور حکومت کی قدر پیدا کرتے ہیں۔

صحت، حفاظت اور ماحول:

ہم اپنے ملازمین کے لئے محفوظ اور صحت مند کام کا ماحول یقینی بنانے کے لئے مسلسل کام کرتے ہیں۔ اس کے علاوہ، کمپنی حکومت کے سوشل سیکورٹی ڈیپارٹمنٹ کے ہاں رجسٹرڈ ہے اور کمپنی کارکن کی صحت کے لئے باقاعدہ حصہ ادا کر رہی ہے۔

کام اور زندگی کا توازن

صحت کام اور زندگی کے توازن کو فروغ دینے کے لئے ہم سختی سے صبح 9:00 بجے تا سہ پہر 5:30 بجے کام کے معمول کے مطابق عمل کرتے ہیں۔ یہ یقینی بناتا ہے کہ ہمارے ملازمین کے پاس کام کے بعد اپنے اہل خانہ اور دوستوں کے ساتھ غیر نصابی سرگرمیوں کے لئے کافی وقت میسر ہے۔

کاروباری اخلاقیات اور اینٹی کرپشن کے اقدامات:

انتظامیہ سالمیت، ایمانداری اور موجودہ قوانین وضوابط کی مکمل پاسداری کے ساتھ تمام کاروباری سرگرمیوں کو منظم کرنے پر کاربند ہے۔ بورڈ کی طرف سے ایک ضابطہ اخلاق تیار اور منظور کیا گیا ہے جس پر تمام ملازمین کے دستخط ہیں۔

قومی خزانے میں شراکت:

ملک کی اقتصادی ترقی کے لئے اپنی قانونی اور سماجی ذمہ داری کو پورا کرنے کے لئے، کمپنی نے ٹیکس، لیویز، ایکسائز ڈیوٹی اور سیلز ٹیکس کی مد میں حکومتی خزانے میں مالی سال 16-2015 میں 119.236 ملین روپے حصہ شامل کیا ہے۔

بجلی کی بچت:

کمپنی نے مل کے احاطہ میں بجلی کی بچت کے آلات نصب کر کے توانائی کے تحفظ کے کئی اقدامات کئے ہیں۔

شکر گذاری

بورڈ کمپنی کے ایگزیکٹوز، افسران، کمپنی کے عملے اور کارکنوں کی انتھک کوششوں کا شکر گذار ہے۔

منجانب بورڈ

Aamir Naseem

میاں عامر نسیم

(چیف ایگزیکٹو)

لاہور: 05 اکتوبر 2016

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of Listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. As at June 30, 2016 the Board was constituted as follows:

Category	Names
Independent Directors	Nil
Executive Director	Mian Aamir Naseem
Non-Executive Directors	Mian Shahzad Aslam
	Mian Farrukh Naseem
	Mr. Yasir Naseem
	Mr. Hamza Naseem
	Mrs. Fatima Aamir
	Mrs. Hina Farrukh

2. The directors have confirmed that none of them is serving as director on more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Casual vacancies occurred on the board during the financial year ended June 30, 2016 dully filled in by the Directors within 90 days.

5. The Company has prepared a ‘Code of Conduct‘ and has ensured that appropriate steps which have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and executive and non-executive director have been taken by the Board.

8. The meetings of the Board were presided over by Chairman of the Board of Directors and in his absence by a director elected for this purpose and the Board met at least once in every quarter. Written notices of the Board meeting, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated in time.

9. In accordance with criteria specified on clause 5.19.7 of the Code, three directors of the company are exempted from the requirement of directors’ training program. Rest of the directors to be trained within specified time.

10. There is no change in the position of CFO, Company Secretary and Head of Internal Audit during the year. The remuneration and terms and conditions of employment have been approved by the Board.

11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval by the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee comprising of three members all of whom are non-executive directors including the chairman of the committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are none-executive directros and the chairman of the committeeis a none-executive director.

18. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on full time basis.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decision, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. The company has complied with the requirements relating to maintenance of register of persons have access to inside information by designated senior management officer in timely manner and maintained proper record including basis for inclusion or exclusion of names of person from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

for and on behalf of the Board

Aamir Naseem

LAHORE: October 5, 2016

MIAN AAMIR NASEEM
(Chief Executive)

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of **SHADAB TEXTILE MILLS LIMITED** (the Company) for the year ended 30, June 2016 to comply with the requirements of Rule 5.19 of the Rule Book of Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board upon recommendation of the Audit Committee.

We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code, as applicable to the company for the year ended June 30, 2016.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the paragraph reference where it is stated in the Statement of Compliance:

	Paragrah reference:	Description:
i.	1	Independent Director was not appointed

FAZAL MAHMOOD & COMPANY
Chartered Accountants
Engagement Partner: Fazal Mahmood

Date: October 05, 2016
Lahore

SIX YEAR'S FINANCIAL DATA AT A GLANCE

(RUPEES IN MILLION)

PARTICULARS	2016	2015	2014	2013	2012	2011
ASSETS EMPLOYEED						
Property, plant and equipment	381.570	396.246	390.450	338.069	271.336	258.062
Long term deposits	2.387	2.387	2.387	2.382	2.382	2.382
Current assets	333.280	370.595	361.612	372.401	255.075	238.165
TOTAL ASSETS EMPLOYEED	717.237	769.228	754.449	712.852	528.793	498.609
FINANCED BY						
Share holders' equity	393.327	370.720	348.269	309.420	200.238	182.394
Long term liabilities	17.000	28.333	-	23.486	46.973	68.290
Deferred taxation	47.039	53.978	64.562	48.857	42.492	49.517
Current liabilities	259.871	316.197	341.618	331.089	239.090	198.408
TOTAL FUNDS INVESTED	717.237	769.228	754.449	712.852	528.793	498.609
PROFIT & (LOSS)						
Sales - net	1,861.576	1,852.800	2,024.029	1,785.120	1,619.546	1,832.307
Cost of sales	1,760.578	1,769.185	1,884.586	1,571.937	1,524.589	1,664.082
Gross profit	100.998	83.615	139.443	213.183	94.957	168.225
Administrative & general	41.830	40.611	37.048	34.540	28.997	26.474
Selling & distribution	2.039	0.400	0.291	0.943	0.453	2.853
Operating profit	57.129	42.604	102.104	177.700	65.507	138.898
Finance costs	13.414	15.818	26.739	32.198	40.274	55.612
Other charges	3.155	2.093	5.374	10.136	1.953	5.901
	40.560	24.693	69.991	135.366	23.280	77.385
Other income	2.009	3.548	2.512	1.402	3.058	2.238
PROFIT BEFORE TAXATION	42.569	28.241	72.503	136.768	26.338	79.623
Taxation	9.762	2.790	29.154	24.586	5.494	25.381
PROFIT AFTER TAXATION	32.807	25.451	43.349	112.182	20.844	54.242
PREVIOUS YEARS' BALANCE B/F	80.720	58.269	219.420	110.238	92.394	41.152
Profit available for appropriation	113.527	83.720	262.769	222.420	113.238	95.394
Dividend	10.200	3.000	4.500	3.000	3.000	3.000
Transfer to general reserve	-	-	200.000	-	-	-
BALANCE CARRIED TO B/S	103.327	80.720	58.269	219.420	110.238	92.394
EARNING PER SHARE (Rupees)	10.94	8.48	14.45	37.39	6.95	18.08
Number of Spindles installed	33600	33600	33600	32640	32640	32640
Number of Spindles worked	32640	32640	33600	32640	32640	32640
Number of Shifts per day	3	3	3	3	3	3
Actual production converted into 20/s count (Kgs. in million)	17.143	14.708	13.946	13.253	13.960	12.771

AUDITORS’ REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **SHADAB TEXTILE MILLS LIMITED** (”The Company”) as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company’s management to establish and maintain a system of internal control and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes disclosed in note 4.1 with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2016 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

FAZAL MAHMOOD & COMPANY
Chartered Accountants
Engagement Partner: Fazal Mahmood

Date: October 05, 2016
Lahore

BALANCE SHEET AS

	NOTE	2016	2015
		(RUPEES IN THOUSAND)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 6,000,000 ordinary shares of Rs. 10/- each.		**60,000**	60,000
Issued, subscribed and paid-up share capital	6	**30,000**	30,000
Revenue reserves	7	**363,327**	340,720
		393,327	370,720
NON - CURRENT LIABILITIES			
Long term financing	8	**17,000**	28,333
Deferred liabilities	9	**47,039**	53,978
CURRENT LIABILITIES			
Trade and other payables	10	**160,707**	181,256
Accrued mark-up	11	**1,261**	2,427
Short term borrowings	12	**69,869**	112,842
Current portion of long term loans	13	**11,333**	5,667
Provision for taxation	14	**16,701**	14,005
		259,871	316,197
CONTINGENCIES AND COMMITMENTS	15	**-**	-
TOTAL EQUITY & LIABILITIES		**717,237**	769,228

The annexed notes form an integral part of these financial statements.

Aamir Naseem

(Mian Aamir Naseem)
Chief Executive

AT JUNE 30, 2016

	NOTE	2016 (RUPEES IN THOUSAND)	2015
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	16	**381,570**	396,246
Long term deposits	17	**2,387**	2,387
		383,957	398,633
CURRENT ASSETS			
Stores, spares and loose tools	18	**41,220**	42,665
Stock in trade	19	**126,138**	168,775
Trade debts	20	**78,850**	103,510
Loans and advances	21	**4,414**	4,207
Trade deposits and prepayments	22	**55,563**	31,226
Other receivables	23	**261**	1,973
Cash and bank balances	24	**26,834**	18,239
		333,280	370,595
TOTAL ASSETS		**717,237**	769,228

(Mian Farrukh Naseem)
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

		(RUPEES IN THOUSAND)	
	NOTE	2016	2015
Sales - net	25	**1,861,576**	1,852,800
Cost of sales	26	**1,760,578**	1,769,185
GROSS PROFIT		**100,998**	83,615
Administrative and general expenses	27	**41,830**	40,611
Selling and distribution expenses	28	**2,039**	400
		43,869	41,011
OPERATING PROFIT		**57,129**	42,604
Finance costs	29	**13,414**	15,818
Other charges	30	**3,155**	2,093
		40,560	24,693
Other income	31	**2,009**	3,548
PROFIT BEFORE TAXATION		**42,569**	28,241
Taxation	32	**9,762**	2,790
PROFIT AFTER TAXATION		**32,807**	25,451
BASIC AND DILUTED EARNING PER SHARE - (RUPEES)	35	**10.94**	8.48

The annexed notes form an integral part of these financial statements.

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION FOR THE YEAR	**32,807**	25,451
Other comprehensive income	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**32,807**	25,451

The annexed notes form an integral part of these financial statements.

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	NOTE	2016	2015
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	123,687	157,897
Finance cost paid		(14,580)	(18,678)
Income tax paid		(14,253)	(15,785)
Paid to Workers' Profit Participation Fund		(1,517)	(3,894)
Net cash generated from operating activities		93,337	119,540
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital expenditure		(26,295)	(46,564)
Proceeds from disposal of operating fixed assets		298	-
Net cash (used) in investing activities		(25,997)	(46,564)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments against long term loans		(5,667)	10,514
Proceeds from short term borrowings - net		(42,973)	(65,168)
Dividends paid		(10,105)	(2,964)
Net cash (used) in financing activities		(58,745)	(57,618)
NET CASH GENERATED DURING THE YEAR		8,595	15,358
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		18,239	2,881
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	37	26,834	18,239

The annexed notes form an integral part of these financial statements.

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

(RUPEES IN THOUSAND)

Description	Share Capital	Revenue Reserves		Total Equity
	Issued, subscribed and paid up ordinary shares	General reserve	Un-appropriated profit	
Balance as at July 01, 2014	**30,000**	**260,000**	**58,269**	**348,269**
Total comprehensive income				
- Profit after taxation	-	-	25,451	25,451
Transaction with owners				
Final Dividend for the year ended June 30, 2014 @ Rs. 1.00 per share	-	-	(3,000)	(3,000)
Balance as at June 30, 2015	**30,000**	**260,000**	**80,720**	**370,720**
Total comprehensive income				
- Profit after taxation	-	-	32,807	32,807
Transaction with owners				
Final Dividend for the year ended June 30, 2015 @ Rs. 3.40 per share	-	-	(10,200)	(10,200)
Balance as at June 30, 2016	**30,000**	**260,000**	**103,327**	**393,327**

The annexed notes form an integral part of these financial statements.

Aamir Naseem

(Mian Aamir Naseem)
Chief Executive

(Mian Farrukh Naseem)
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

1. THE COMPANY AND ITS OPERATIONS

The company is registered as a public limited company in Pakistan and quoted on Pakistan Stock Exchange and engaged in the business of manufacturing, selling, buying and dealing in yarn of all types. The registered office of the company is situated at 6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore.

2. BASIS OF PREPARATION

2.1 Basis of measurement

These Financial Statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or current values, if any, using accrual basis of accounting.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency and has been rounded to the nearest thousand.

3. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that effect the application of policies and reported amount of assets, liabilities, income and expenses. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Significant areas requiring the use of management estimates in the financial statements relate to provision for doubtful balances, provisions for income taxes, useful life and residual values of property plant and equipment. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in next year.

Judgments made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are set forth below:

Property, plant and equipment

The Company reviews the rates of depreciation, useful lives, residual values and values of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Stock-in-trade and stores, spares and loose tools

The Company reviews the net realizable value of stock-in-trade and stores, spares and loose tools to assess any diminution in their respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores, spares and loose tools with a corresponding effect on the amortization charge and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditure to make the sale.

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws and the decisions of appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

4. NEW / REVISED STANDARDS, INTERPRETATIONS, AMENDMENTS AND IMPROVEMENTS TO ACCOUNTING STANDARDS

4.1 New / Revised Standards, Interpretations, Amendments and Improvements to existing approved accounting standards that are effective during the year:

"The Company has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement
IAS 27 – Equity Method in Separate Financial Statements
IAS 28 – Investments in Associates and Joint Ventures"

The adoption of the above accounting standards did not have any effect on the financial statements, except increased disclosure requirements.

4.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective:

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard, amendment or interpretation	**Effective date (annual periods beginning on or after)**
IFRS 2: Share-based Payments – Classification and measurement of Share based Payments Transaction (Amendments)	1 January 2018
IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - investment Entities (Amendment)	1 January 2016
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized

Standard, amendment or interpretation	Effective date (Annual periods begining on or after)
IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	1 January 2016
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	1 January 2016
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	1 January 2017
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1 January 2017
IAS 16 Property, Plant and Equipment and IAS 38 intangible assets – Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	1 January 2016
IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	1 January 2016
AS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	1 January 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's finnancial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be noti ed by the SECP for the purpose of applicability in Pakistan.

Standard, amendment or interpretation	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	1 January 2018
IFRS 14 – Regulatory Deferral Accounts	1 January 2016
IFRS 15 – Revenue from Contracts with Customers	1 January 2018
IFRS 16 – Leases	1 January 2019

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

5.1 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost. Capital work in progress is stated at cost less any recognized impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs, if any.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company and its cost can be measured reliably. The carrying amount of the part so replaced is derecognized. The costs relating to day-to-day servicing of property, plant and equipment are recognized in profit and loss account as incurred.

Borrowing costs pertaining to the construction and erection are capitalized up to the date of completion. Depreciation on property, plant & equipment is charged to income on reducing balance method at the rates specified in note no. 16. to the accounts to write off the cost cover their estimated useful lives.

Depreciation on addition and deletion is charged on the basis of number of days the asset remain in use of the company. Assets residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate at each balance sheet date. An asset carrying amount is written down immediately to its recoverable amount. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

The carrying amount of property, plant and equipment is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value less cost to sell. An impairment is recognized if the carrying amount exceeds its estimated recoverable amount.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within “other income” in profit and loss account.

5.2 Stores, spares & loose tools

These are valued at lower of cost and net realizable value, determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other incidental charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to be incurred to make the sale.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are classified as fixed assets under the ‘plant and machinery’ category and are depreciated over a time period not exceeding the useful life of the related assets.

5.3 Stock in trade

These are valued at lower of cost and net realizable value. Cost comprises of:

Raw material	At weighted average cost
Work in Process	At direct cost & appropriate portion of production overhead
Finished Goods	At estimated manufacturing cost
Wastes	At net realizable value.

Cost of finished goods comprises cost of direct material, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

Provision for obsolete and slow-moving stock in trade is based on management estimate.

5.4 Trade debts and other receivables

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

5.5 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses on translation are recognized in the profit and loss account. Non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

5.6 Staff Retirement Benefits

Defined contribution plan - Provident fund

The company operates a funded provident fund scheme covering all its permanent employees. Equal monthly contributions are made to the trust, both the company and the employees, at the rate of 6.25% of basic salary. Obligation for contributions to the fund are recognized as an expense in the profit and loss account when they are due.

5.7 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

5.8 Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue from sales is recognized at the time of dispatch of goods to the customer where risks and rewards are transferred to the customer.

Dividend is recognized as income when the right to receive dividend is established. Investment income is recognized when right to receive the income is established.

5.9 Borrowings Cost

Borrowing Cost on long term finances and short term borrowings which are specifically obtained for the acquisition, construction or production of a qualifying assets are capitalized upto the date of commencement of commercial production on the respective assets. All other borrowing costs are charge to profit and loss account in the period in which these are incurred.

5.10 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made to the amount of obligation. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

5.11 Impairment

a) Financial Assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non Financial Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account except for the impairment loss on revalued asset, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of asset.

5.12 Contingent Liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

5.13 Taxation

Current

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

5.14 Financial instruments

a) Financial assets

The management determines the appropriate classification of its financial asset in accordance with the requirements of International Accounting Standards 39 (IAS 39), "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The financial assets of the company are categorized as follows:

(i) Financial assets at fair value through profit or loss

A non-derivative financial asset is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Investments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in the profit and loss account when incurred. Investments at fair value through profit or loss are measured at fair value and changes therein are recognized in the profit and loss account.

(ii) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has positive intention and ability to hold to maturity. Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortized cost using the effective interest method, less any impairment loss, if any.

(iii) Loans and receivables

Loans and receivables are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, loans and receivables measured at amortized cost using the effective interest method, less any impairment losses, if any.

(iv) Available for sale investments

"Other investments not covered in any of the above categories including investments in associates in which the Company has no significant influence are classified as being available for sale and are initially recognized at fair value plus attributable transactions costs. Subsequent to initial recognition these are measured at fair value, with any resultant gain or loss being recognized in other comprehensive income. Gains or losses on available for sale investments are recognized in other comprehensive income until the investments are sold or disposed off or until the investments are determined to be impaired, at that time cumulative gain or loss previously reported in other comprehensive income is included in current period’s profit and loss account."

Fair value of listed securities are the quoted prices on stock exchange on the date it is valued. Unquoted securities are valued at cost.

The Company follows trade date accounting for regular way purchase and sale of securities, except for sale and purchase of securities in the future market.

b) Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

5.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

5.16 Basic and diluted earning per share

The company presents basic and diluted earning per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

5.17 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, balances with banks, short term highly liquid investments that are readily convertible to known amount of cash and the subject to insignificant risk of change in values.

5.18 Related party transactions

All transactions between the company and related parties are accounted for at arm's length price in accordance with the method prescribed under the Companies Ordinance, 1984.

5.19 Proposed dividends and transfer between reserves

Dividend distribution to the company's shareholders and appropriations to/from reserves is recognized in the period in which these are approved by the shareholders.

	(RUPEES IN THOUSAND)	
	2016	**2015**
6. ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
2,000,000 ordinary shares of Rs. 10/- each fully paid in cash	**20,000**	20,000
1,000,000 ordinary shares of Rs. 10/- each issued as bonus shares	**10,000**	10,000
	30,000	30,000

6.1 Husein Sugar Mills Ltd an associated company holds Nil (2015: 375,000) shares as at June 30, 2016.

7. REVENUE RESERVES		
Unappropriated Profit	**103,327**	80,720
General Reserve	**260,000**	260,000
	363,327	340,720

	Note	2016	2015
		(RUPEES IN THOUSAND)	

8. LONG TERM FINANCING

Loan from banking companies - secured

	Note	2016	2015
Bank Alfalah Limited	8.1	**28,333**	34,000
		28,333	34,000

8.1 Bank Alfalah Limited

	Note	2016	2015
Term Finance I	8.1.1	**28,333**	34,000
Balance as at 30th June		**28,333**	34,000
Less:			
Current portion shown under current liabilities		**(11,333)**	(5,667)
		17,000	28,333

8.1.1 This is repayable in 12 equal installments commencing from February 1, 2016 and ending on November 1, 2018. The loan carries markup @ 6 months KIBOR + 2.5% p.a. payable on quarterly basis.

8.1.2 The above finance is secured against ranking charge of Rs. 50 million on fixed assets of the Company and 1st exclusive charge on companys' property - office located at City Tower, Gulberg, Lahore and personal guarantees of two sponsoring directors of the Company.

9. DEFERRED LIABILITIES

	Note	2016	2015
Deferred Taxation	9.1	**47,039**	53,978

9.1 Deferred tax credits / (debits) arising in respect of :

	2016	2015
Taxable Temporary Differences		
Accelerated tax depreciation	**60,299**	64,214
Deductible Temporary Differences		
Minimum tax available for carry forward	**(13,260)**	(10,236)
	47,039	53,978

10. TRADE AND OTHER PAYABLES

	Note	2016	2015
Creditors		**22,706**	15,903
Contractors retention money		**26**	39
Security deposits - Interest free	10.1	**12,153**	12,153
Provident fund trust		**1,210**	1,124
Accrued charges		**107,382**	139,343
Unclaimed dividend		**311**	216
Advances from customers		**4,602**	1,799
Workers' Profit Participation Fund	10.2	**2,286**	1,517
Workers' Welfare Fund		**9,431**	8,562
Others		**600**	600
		160,707	181,256

10.1 No interest is payable on the deposits and it can be used for the business.

	Note	2016	2015
		(RUPEES IN THOUSAND)	
10.2 Workers' Profit Participation Fund			
Balance as on 01 July		**1,517**	3,894
Add: Provision for the year		**2,286**	1,517
Interest for the year		**286**	317
		4,089	5,728
Less: Payment during the year		**(1,803)**	(4,211)
Balance as on 30 June		**2,286**	1,517

11. ACCRUED MARK-UP

		2016	2015
Long term financing		**-**	251
Short term borrowings		**1,261**	2,176
		1,261	2,427

12. SHORT TERM BORROWINGS

	Note	2016	2015
From Banking Companies - Secured	12.1	**69,869**	112,842
		69,869	112,842

12.1 These have been obtained from banking companies on mark-up basis and are secured by pledge and hypothecation of stocks & stores, charge on stocks, book debts, other movable assets and fixed assets of the company and against personal guarantee of directors. The borrowing form a part of total credit facilities available to the extent of Rs. 505 million (2015: Rs. 505 million). Unavailed facility as at balance sheet date is Rs. 435 million (2015: Rs. 392 million). Mark-up is paid at the rate ranging from 3 months Kibor plus 2% to 2.5 %.

13. CURRENT PORTION OF LONG TERM LOANS

	Note	2016	2015
Bank Al-Falah	8	**11,333**	5,667
		11,333	5,667

14. PROVISION FOR TAXATION

		2016	2015
Opening balance		**14,005**	13,450
Less:			
Paid during the year		**(6,467)**	(11,076)
Adjusted during the year		**(7,538)**	(1,743)
		-	631
Current		**16,701**	14,005
Prior		**-**	(631)
		16,701	13,374
		16,701	14,005

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

The Company has issued counter guarantees of Rs. 14.000 million (2015: Rs. 14.487 million) in favour of the bank for issueing letters of guarantee favouring Sui Northern Gas Piplines Limited for gas connections.

15.2 Commitments

There are no capital expenditure commitment during the year and non capital expenditure commitments are amounting to Rs. 21.250 million (2015: Rs. 42.754 million).

	Note	2016	2015
		(RUPEES IN THOUSAND)	
16. PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets	16.1	**381,570**	396,246
		381,570	396,246

16.1 Operating fixed assets

Description	Land Freehold	Buildings	Plant and Machinery	Electric Installations	Factory Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Total
At June 30, 2014									
Cost	3,351	134,796	623,218	2,425	150	3,783	19,276	3,343	790,342
Accumulated depreciation	-	61,683	320,564	1,992	138	2,895	10,157	2,463	399,892
Net book Value	3,351	73,113	302,654	433	12	888	9,119	880	390,450
Year ended June 30, 2015									
Opening Net book value	3,351	73,113	302,654	433	12	888	9,119	880	390,450
Additions	-	-	45,235	-	-	-	1,329	-	46,564
Disposals									
Cost	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-
Net book value	-	-	-	-	-	-	-	-	
Depreciation	-	(7,311)	(31,235)	(43)	(1)	(89)	(2,001)	(88)	(40,768)
Closing Net book value	3,351	65,802	316,654	390	11	799	8,447	792	396,246
At June 30, 2015									
Cost	3,351	134,796	668,453	2,425	150	3,783	20,605	3,343	836,906
Accumulated depreciation	-	68,994	351,799	2,035	139	2,984	12,158	2,551	440,660
Net book Value	3,351	65,802	316,654	390	11	799	8,447	792	396,246
Year ended June 30, 2016									
Opening Net book value	**3,351**	**65,802**	**316,654**	390	**11**	**799**	**8,447**	**792**	**396,246**
Additions	**-**	**-**	**19,153**	**-**	**-**	**-**	**7,142**	**-**	**26,295**
Disposals									
Cost	**-**	**-**	**-**	**-**	**-**	**-**	**521**	**-**	**521**
Depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**(496)**	**-**	**(496)**
Net book value	**-**	**-**	**-**	**-**	**-**	**-**	**25**	**-**	**25**
Depreciation	**-**	**(6,580)**	**(32,257)**	**(39)**	**(1)**	**(80)**	**(1,910)**	**(79)**	**(40,946)**
Closing Net book value	**3,351**	**9,222**	**303,550**	**351**	**10**	**719**	**13,654**	**713**	**381,570**
At June 30, 2016									
Cost	**3,351**	**134,796**	**687,606**	**2,425**	**150**	**3,783**	**27,226**	**3,343**	**862,680**
Accumulated depreciation	**-**	**75,574**	**384,056**	**2,074**	**140**	**3,064**	**13,572**	**2,630**	**481,110**
Net book Value	**3,351**	**59,222**	**303,550**	**351**	**10**	**719**	**13,654**	**713**	**381,570**
Depreciation Rate (%)	**-**	**10**	**10**	**10**	**10**	**10**	**20**	**10**	

16.2 Depreciation for the year has been allocated as follows:

	2016	2015
Cost of goods sold	**38,877**	38,590
Administrative and general expenses	**2,069**	2,178
	40,946	40,768

(RUPEES IN THOUSAND)

16.3 Statement of disposals of operating fixed assets

Description	Cost	Accumulated Depreciation	Net Book Value	Sales Proceeds	Gain	Sold to	Basis of Sales
Vehicle							
Honda CD-70	58	(51)	7	23	16	Saqib Ali, Lahore	Negotiation
Santro Plus	463	(445)	18	275	257	Muhammad Imran, Faislabad	Negotiation
Grand Total	**521**	**(496)**	**25**	**298**	**273**		

	Note	2016	2015
		(RUPEES IN THOUSAND)	
17. LONG TERM DEPOSITS			
Others		**2,387**	2,387
		2,387	2,387
18. STORES, SPARES AND LOOSE TOOLS			
Stores		**14,160**	13,067
Spares		**27,060**	29,598
		41,220	42,665
19. STOCK IN TRADE			
Raw material		**106,781**	144,127
Work in process		**13,223**	13,497
Finished goods		**5,740**	11,060
Waste		**394**	91
		126,138	168,775
20. TRADE DEBTS			
These are unsecured but considered good.	20.1	**78,850**	103,510
20.1 The aging of trade debts at the balance sheet date is:			
Not past due		**59,818**	99,684
Past due 1-30 days		**11,700**	2,778
Past due 30-180 days		**6,232**	246
Past due 180 days		**1,100**	802
		78,850	103,510
21. LOANS AND ADVANCES			
(Unsecured but considered good):-			
Advances to :			
Suppliers and contractors		**1,827**	2,062
Against expenses		**1,624**	1,125
Employees		**963**	1,020
		4,414	4,207
22. TRADE DEPOSITS AND PREPAYMENTS			
Income tax		**18,550**	18,302
Letters of credit		**22,074**	11,136
Margin on bank guarantee		**14,639**	1,587
Prepayments		**300**	201
		55,563	31,226

(RUPEES IN THOUSAND)

	Note	2016	2015
23. OTHER RECEIVABLES			
Sales tax		**237**	1,949
Others		**24**	24
		261	1,973
24. CASH AND BANK BALANCES			
Cash in hand		**1,333**	488
Cash with banks:			
In current accounts		**25,501**	17,751
		26,834	18,239
25. SALES - NET			
Local		**1,948,119**	1,903,638
Waste		**3,777**	5,631
		1,951,896	1,909,269
Less:			
Sales tax		**81,194**	47,787
Commission		**9,126**	8,682
		1,861,576	1,852,800
26. COST OF SALES			
Raw material consumed	26.1	**1,170,589**	1,159,436
Salaries, wages and benefits	26.2	**205,464**	174,634
Stores and spares		**40,595**	35,452
Packing materials		**31,599**	27,513
Fuel and power		**257,079**	300,971
Repair and maintenance		**4,042**	4,265
Insurance		**4,308**	4,127
Other factory overhead		**2,734**	3,360
Depreciation		**38,877**	38,590
		584,698	588,912
		1,755,287	1,748,348
Opening stock in process		**13,497**	16,035
Closing stock in process		**(13,223)**	(13,497)
Cost of goods manufactured		**1,755,561**	1,750,886
Opening stock of finished goods		**11,151**	29,450
Closing stock of finished goods		**(6,134)**	(11,151)
		1,760,578	1,769,185

26.1 RAW MATERIAL CONSUMED

	2016	2015
Opening stock	**144,127**	156,061
Purchases	**1,133,243**	1,147,502
	1,277,370	1,303,563
Less: Closing stock	**(106,781)**	(144,127)
	1,170,589	1,159,436

26.2 Salaries, wages and other benefits include Rs. 5.030 million (2015: Rs. 4.437 million) in respect of staff retirement benefits.

	Note	2016	2015
		(RUPEES IN THOUSAND)	
27. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and benefits	27.1	**29,666**	28,827
Traveling and conveyance		**282**	279
Vehicle running and maintenance		**3,021**	2,870
Printing and stationery		**653**	480
Newspaper and periodicals		**24**	21
Postage, telegram and telephone		**567**	472
Advertisement		**145**	72
Rent, rates, and taxes		**178**	128
Legal and professional		**1,065**	1,322
Auditors' remuneration	27.2	**548**	548
Subscription	27.3	**301**	348
Insurance		**1,381**	1,323
Entertainment		**384**	298
Computerization		**123**	141
General		**526**	475
Lighting charges		**897**	829
Depreciation		**2,069**	2,178
		41,830	40,611

27.1 Salaries, allowances and benefits include Rs.0.710 million (2015: Rs. 0.700 million) in respect of staff retirement benefits.

27.2 Auditors' Remuneration	2016	2015
Statutory audit fee	**500**	500
Half yearly review fee	**30**	30
Provident fund audit & other certification fee	**18**	18
	548	548

27.3 No director or his spouse had any interest in the donee's fund.

28. SELLING AND DISTRIBUTION EXPENSES	2016	2015
Freight and expenses on local sales	**2,039**	400
	2,039	400

29. FINANCE COSTS	2016	2015
Mark-up on:		
Long term financing - secured	**2,993**	1,915
Short term bank borrowings - secured	**9,022**	11,872
	12,015	13,787
Bank charges and commission	**1,113**	1,714
Interest on workers' profit participation fund	**286**	317
	13,414	15,818

30. OTHER CHARGES	2016	2015
Workers' profit participation fund	**2,286**	1,517
Workers' welfare fund	**869**	576
	3,155	2,093

(RUPEES IN THOUSAND)

31. OTHER INCOME

	Note	2016	2015
Gain on sale of operating fixed assets		**273**	-
Profit on sale of stores		**5**	8
Balances written off		**273**	-
Office rent		**1,458**	3,540
		2,009	3,548

32. TAXATION

	Note	2016	2015
Current		**16,701**	14,005
Prior		**-**	(631)
Deferred tax		**(6,939)**	(10,584)
		9,762	2,790

32.1 The company's income tax assessments have been finalized upto and including tax year 2015.

32.2 The provision for current year income tax is based on minimum taxation under section 113 of the income tax ordinance, 2001. Accordingly, numerical reconciliation between average effective tax rate and applicable rate is not reported for this year.

33. CHIEF EXECUTIVE OFFICER, DIRECTOR AND EXECUTIVES' REMUNERATION

The aggregate amount charged in the accounts during the period for remuneration including benefits to Chief Executive officer, Director and Executives is as follows:

(RUPEES IN THOUSAND)

	Chief Executive Officer	Director	Executives
	2016	2016	2016
Managerial Remuneration	**1,260**	**-**	**7,595**
House rent	**567**	**-**	**1,860**
Medical allowance	**126**	**-**	**760**
Utility allowance	**147**	**-**	**605**
Provident Fund Contribution by Company	**-**	**-**	**347**
	2,100	**-**	**11,167**
Number(s)	**1**	**-**	**10**

(RUPEES IN THOUSAND)

	Chief Executive Officer	Director	Executives
	2015	2015	2015
Managerial Remuneration	1,260	1,080	5,377
House rent	567	486	2,420
Medical allowance	126	108	538
Utility allowance	147	126	660
Provident Fund Contribution by Company	-	-	321
	2,100	1,800	9,316
Number(s)	1	1	10

33.1 Chief Executive Officer of the company has been provided with a free company maintained car.
33.2 No remuneration was paid to non-executive directors of the company.
33.3 No meeting fee was paid to the directors of the company during the year (2015: Rs. Nil).

34. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

Transaction with Related Parties/ Associated Undertakings, other than remuneration and benefits to key management personnel's under the terms of their employment (refer note no. 33) and other than the payments made to the retirement benefit plans are as under:

The company sold to associated undertaking, Sargodha Spinning Mills Limited, goods / material of aggregate sum of Rs. 4.201 million (2015: Rs. 1.576 million), purchased from associated undertaking material of aggregate sum of Rs. 37.636 million (2015: Rs. 70.978) during the year, charged rent during the year of Rs. 1.260 Million (2015: Rs. 3.360 Million).

The maximum aggregate amount due from associated undertaking, Sargodha Spinning Mills Limited, at the end of the year was Rs. 5.946 million (2015: Rs. 7.045 million).

(RUPEES IN THOUSAND)

35. EARNING PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earning per share of the company.

	Note	2016	2015
Profit after taxation		**32,807**	25,451
Weighted average number of ordinary shares outstanding during the year (No in '000)		**3,000**	3,000
Basic earning per share (Rupees)		**10.94**	8.48

36. CASH GENERATED FROM OPERATIONS

	Note	2016	2015
Profit before taxation		**42,569**	28,241
Adjustments for non cash charges & other items:			
Depreciation on operating fixed assets		**40,946**	40,768
Finance costs		**13,414**	15,818
Provision for workers' profit participation fund		**2,286**	1,517
Provision for workers' welfare fund		**869**	576
Gain on disposal of operating fixed assets		**(273)**	-
Balances written off		**(273)**	-
Working capital changes	36.1	**24,149**	70,977
		123,687	157,897

36.1 WORKING CAPITAL CHANGES

	2016	2015
(Increase) / decrease in current assets		
Stores, spares and loose tools	**1,445**	2,295
Stock in trade	**42,637**	32,771
Trade debts	**24,660**	(29,547)
Loans and advances	**(207)**	5,757
Trade deposits and prepayments	**(24,089)**	(7,796)
Other receivables	**1,712**	5,861
	46,158	9,341
Increase / (decrease) in current liabilities		
Trade and other payable	**(22,009)**	61,636
	24,149	70,977

	Note	2016	2015
		(RUPEES IN THOUSAND)	

37. CASH AND CASH EQUIVALENTS

		2016	2015
Cash and bank balances		**26,834**	18,239

38. STAFF RETIREMENT BENEFITS

38.1 DEFINED CONTRIBUTION PLAN

The Company has maintained an employee provident fund trust and investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance 1984, and the rules formulated for this purpose. The information of the fund is based on un-audited financial statements of the fund for the year ended 30 June 2016:

	Note	2016	2015
Size of the fund	(38.2)	**92,597**	85,286
Cost of investment made		**45,349**	41,267
Percentage of investment made		**48.97%**	48.39%
Fair value of investment		**73,335**	67,551

38.2 BREAKUP OF INVESTMENT

	2016	2015
Investment in Mutual Fund	**45,349**	41,267
	45,349	41,267

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	2016	2015
Number of spindles installed	**33,600**	33,600
Number of spindles worked	**32,640**	32,640
Production at normal capacity Converted to 20/s (Kgs.)	**17,648,910**	16,440,843
Actual production converted to 20/s (Kgs.)	**17,143,409**	14,708,302
No. of shifts worked per day	**3**	3

39.1 Reason for low production is due to normal maintenance, gas and electric shut down / closures.

40. NUMBER OF EMPLOYEES

	2016	2015
At the year end number of employees of the company	**1024**	974
Weighted average number of employees of the company	**1022**	977

41. FINANCIAL INSTRUMENTS BY CATEGORY

	(RUPEES IN THOUSAND)	
	2016	2015
FINANCIAL ASSETS as per Balance Sheet		
Cash and bank balances	**26,834**	18,239
Trade debts	**78,850**	103,510
Loans & advances	**963**	1,020
Deposit & prepayments	**14,639**	1,587
Other receivables	**24**	24
Long term deposits	**2,387**	2,387
	123,697	126,767
FINANCIAL LIABILITIES as per Balance Sheet		
Long term loans	**28,333**	34,000
Short term borrowings	**69,869**	112,842
Trade and other payable	**144,388**	169,378
Accrued mark-up on secured loans	**1,261**	2,427
	243,851	318,647

41.1 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

42. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of Company’s risk management framework. The Board of Directors is also responsible for developing and monitoring the Company’s risk management policies. The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to developed a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note presents information about the company’s exposure to each of the above risks, the company’s objectives, policies and processes for measuring and managing risk and the company’s management of capital.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

42.1 CREDIT RISK

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans to/due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. Limits are reviewed periodically and the customers may transact with the company only on a prepayment basis.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	(RUPEES IN THOUSAND) 2016	2015
Bank balances	**25,501**	17,751
Trade debts	**78,850**	103,510
Loans & advances	**963**	1,020
Deposits & prepayments	**14,639**	1,587
Other receivables	**24**	24
Long term deposits	**2,387**	2,387
	122,364	126,279

Based on past experience the management believes that no impairment allowance is necessary as there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Bank balances are held only with reputable banks with high quality credit ratings.

42.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements as mentioned in note no. 12.1 and note no. 24. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following is the maturity analysis of financial liabilities: **(RUPEES IN THOUSAND)**

2016	Upto 1 Year	Between 1 to 5 Years	Total
Non derivative financial liabilities			
Long term loans	**11,333**	**17,000**	**28,333**
Short term borrowings	**69,869**	**-**	**69,869**
Trade and other payable	**144,388**	**-**	**144,388**
Accrued mark-up on secured loans	**1,261**	**-**	**1,261**
	226,851	**17,000**	**243,851**

2015	Upto 1 Year	Between 1 to 5 Years	Total
Non derivative financial liabilities			
Long term loans	5,667	28,333	34,000
Short term borrowings	112,842	-	112,842
Trade and other payable	169,378	-	169,378
Accrued mark-up on secured loans	2,427	-	2,427
	290,314	28,333	318,647

42.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effectively as at 30 June. The rate of mark-up have been disclosed in respective notes to the financial statements.

42.3 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

42.3.1 Interest Risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

Cash flow sensitivity analysis

A change of 100 basis points in interest rate of long term loans at the reporting date would have increased / (decreased) equity and profit or (loss) by Rs. 0.325 million (2015: Rs. 0.154 million).

42.3.2 Fair value of financial assets and liabilities

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows

Level 1: quoted prices (un-adjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

i) Fair value at initial recognition
The Company takes in to account factors specific to the transaction and to the asset or liability, when determining whether or not the fair value at initial recognition equals the transaction price. Except for long term deposits, the fair value of financial assets and financial liabilities recognised in these financial statements equals the transaction price at initial recognition. Due to immaterial effect the fair value of the long-term deposits has not been determined and their carrying value has been assumed to be equal to their fair value.

ii) Valuation techniques and inputs used
For instruments carried at amortized cost, since majority of the interest bearing instruments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are of short term in nature, fair value significantly approximates to carrying value.

iii) Fair value of the Company's financial assets and liabilities that are measured at fair value on recurring basis after initial recognition

The company uses widely recognized valuation techniques, for determining the fair value of assets and liabilities, that use only observable market data and require little management judgement and estimation.

iv) Fair value of the Company's financial assets and liabilities that are not measured at fair value after initial recognition

The carrying amount of financial assets and financial liabilities recognized in these financial statements approximate their respective fair values. Fair values of financial assets and liabilities carried at amortized cost.

(RUPEES IN THOUSAND)

	June 30, 2016	June 30, 2015
Financial assets carried at amortized cost:	**Carrying amount**	Carrying amount
Cash and bank balances	**26,834**	18,239
Trade debts	**78,850**	103,510
Loans & advances	**963**	1,020
Deposit & prepayments	**14,639**	1,587
Other receivables	**24**	24
Long term deposits	**2,387**	2,387
	123,697	126,767
Financial liabilties carried at amortized cost:	**Carrying amount**	Carrying amount
Long term loans	**28,333**	34,000
Short Term Borrowings	**69,869**	112,842
Trade and other Payable	**144,388**	169,378
Accrued Mark-up on Secured loans	**1,261**	2,427
	243,851	318,647

v) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

a) Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

43. CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(i) "to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and"

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 05 October 2016 by the Board of Directors of the company.

45. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in their meeting held on 05 October 2016 has recommended a cash dividend at Rs. 4.37 per share (i.e 43.74%) (2015: Rs 3.40 per share) amounting to Rs. 13.122 million for the year ended 30 June 2016. The above proposed cash dividend is subject to the approval of the members at the Annual General Meeting to be held on 31 October 2016. These financial statements do not include the effect of the above proposal which will be accounted for in the period in which it is approved by the members.

46. GENERAL

Figures have been rounded off to the nearest thousand rupee.

(Mian Aamir Naseem)	(Mian Farrukh Naseem)
Chief Executive	**Director**

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)

FORM 34

PATTERN OF SHAREHOLDING

1. Incorporation Number **0007162**
2. Name of the Company **SHADAB TEXTILE MILLS LIMITED**
3. Pattern of holding of the shares held by the shareholders as at 30 06 2016

4.

No. of Shareholders	Shareholdings From		To	Total shares held
94	1	-	100	2,266
66	101	-	500	15,340
16	501	-	1,000	13,130
22	1,001	-	5,000	57,339
4	5,001	-	10,000	33,563
2	15,001	-	20,000	36,800
1	25,001	-	30,000	30,000
1	30,001	-	35,000	30,150
3	35,001	-	40,000	110,350
1	40,001	-	45,000	41,420
1	45,001	-	50,000	48,710
5	60,001	-	65,000	312,280
1	65,001	-	70,000	65,182
1	70,001	-	75,000	75,000
1	75,001	-	80,000	79,034
1	80,001	-	85,000	80,753
1	85,001	-	90,000	88,253
2	90,001	-	95,000	189,207
1	105,001	-	110,000	105,500
1	130,001	-	135,000	132,500
1	135,001	-	140,000	136,682
1	145,001	-	150,000	147,900
1	190,001	-	195,000	193,200
1	200,001	-	205,000	203,636
1	240,001	-	245,000	240,366
1	260,001	-	265,000	262,486
1	265,001	-	270,000	268,953
232				3,000,000

5.	Categories of shareholders	Shares Held	Percentage
5.1	Directors, Chief Executive Officer, and their spouse and minor children.	1,207,455	40.2485
5.2	Associated Companies, undertakings and related parties.	0	0.0000
5.3	NIT and ICP	600	0.0200
5.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	53	0.0018
5.5	Insurance Companies	-	-
5.6	Modarabas and Mutual Funds	94,207	3.1402
5.7	Shareholders holding 10% or more	416,853	13.8951
5.8	General public		
	a. Local	1,612,541	53.7514
	b. Foreign	-	-
5.9	Others (to be specified)		
	1. Joint Stock Companies	76,200	2.5400
	2. Pension Funds	8,613	0.2871
	3. Others	331	0.0110

6.	Signature of Company Secretary	
7.	Name of Signatory	Mr. Mazhar Hussain
8.	Designation	Company Secretary
9.	NIC Number	3 5 2 0 2 – 2 7 2 5 5 7 6 – 3
10.	Date	30-06-2016

CATEGORIES OF SHAREHOLDERS REQIURED UNDER C.C.G . AS AT JUNE 30, 2016

S.No.	Name	No. of Shares Held	%age
	Associated Companies, Undertakings and Related Parties	-	-
	Mutual Funds		
1.	CDC Trustee National Investment (Unit) Trust (CDC)	94,207	3.1402
	DIRECTORS AND THEIR SPOUSE AND MINOR CHILDREN		
1.	Mian Shahzad Aslam	234,620	7.8207
2.	Mian Farrukh Naseem	203,636	6.7879
3.	Mian Aamir Naseem	262,486	8.7495
4.	Mrs. Fatima Aamir	416,853	13.8951
5.	Mr. Yasir Naseem	10,000	0.3333
6.	Mrs. Hina Farrukh	78,860	2.6287
7.	Mr. Hamza Naseem	1,000	0.0333
	Executives:	-	-
	Public Sector Companies & Corporations:	-	-
	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	8,666	0.2889
	Sharesholders holding five percent or more voting intrest in the listed company		
1.	Mrs. Fatima Aamir	416,853	13.8951
2.	Mrs. Sadia Ali Tariq (CDC)	240,366	8.0122
3.	Mian Shahzad Aslam	234,620	7.8207
4.	Mian Aamir Naseem	262,486	8.7495
5.	Mian Farrukh Naseem	203,636	6.7879
6.	Mr. Saad Naseem	200,864	6.6955
7.	Mr. Ahmed Naseem	153,435	5.1145

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor childern shall also be disclosed:-

(No trade carried out during the year.)

Folio No./CDC Participant ID
and Account No. ______________________
CNIC No. ______________________

FORM OF PROXY

I / We ____

Son / Daughter / Wife of ____

being a member of SHADAB TEXTILE MILLS LIMITED and holder of ____________________
(Number of Shares)

Ordinary Shares as per Registered Folio No./ CDC Participant ID No. and Account No. __________

hererby appoint Mr. ______________________ of ______________________

of failing him Mr. ______________________ of ______________________

who is also a member of SHADAB TEXTILE MILLS LIMITED, Vide Registered Folio No./ CDC Participant ID No. and Account No. ____________________________

as my / our proxy to vote for me / us and on my / our behalf at the 37th Annual General Meeting of the Company to be held on Monday, October 31, 2016 at 10.00 a.m. and at any adjournment thereof.

As witness my / our hand (s) this ______________ day of ______________ 2016

1. Witness:

   Signature ______________________

   Name ______________________

   Address ______________________

   ____

   CNIC No. ______________________

2. Witness:

   Signature ______________________

   Name ______________________

   Address ______________________

   ____

   CNIC No. ______________________

Affix
Revenue
Stamps of
Rs. 5/-

____
Signature of Shareholder

NOTE:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint an other mrmber as his / her proxy to attend and vote on his/her behalf. Proxies in order to be valid must be received at the Registered Office of the Company 48 hours before the time of the meeting. A proxy must be a member of the Company.

2. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport to prove his/her identity and in case of proxy must enclose an attested copy of his/her CNIC or Passport. Representative of corporate members should bring the usual documents required for such purposes.

3. Signature should agree with specimen signature registered with the company.

فولیونمبر/سی ڈی سی پارٹیسپنٹ (شرکت) ID

اورکھاتانمبر:______________________

کمپیوٹرائزڈ شناختی کارڈنمبر:______________________

پراکسی فارم

میں/ہم ____

بیٹا/بیٹی/زوجہ ________________________________ بحثیت رکن

شاداب ٹیکسٹائیل ملزلمیٹڈ اورحامل ______________ عام حصص، بمطابق رجسٹرڈ فولیونمبر/

(تعدادحصص)

سی ڈی سی پارٹیسپنٹ (شرکت) آئی ڈی اوراکاؤنٹ (کھاتہ) نمبر:______________________

محترم______________ کا/کے ______________________

یاعدم موجودگی کی صورت میں، محترم ______________________

کا/کے ______________ بھی جوکے شاداب ٹیکسٹائیل ملزلمیٹڈ کے رکن ملاحظہ رجسٹرڈ فولیونمبر/سی ڈی سی پارٹیسپنٹ

(شرکت) آئی ڈی اوراکاؤنٹ (کھاتہ) نمبر:______________ کواپنے/ہمارے ایماء پر مورخہ 31 اکتوبر 2016 بروز سوموار

صبح 10:00 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواکی صورت میں اپنا/ہمارا پراکسی مقرر کرتا ہوں/کرتے ہیں۔

آج بروز________ بتاریخ________ 2016 بطور گواہ دستخط کئے گئے۔

1) گواہ:

دستخط:______________________

نام:______________________

پتہ:______________________

کمپیوٹرائزڈ شناختی کارڈنمبر:______________________

پانچ روپے مالیت کی رسیدی
ٹکٹ چسپاں کریں

2) گواہ:

دستخط:______________________

نام:______________________

پتہ:______________________

کمپیوٹرائزڈ شناختی کارڈنمبر:______________________

____
ممبر کے دستخط

نوٹ:

1- کوئی بھی رکن (ممبر) جو سالانہ اجلاس میں شرکت کرنے اورووٹ دینے کا/کی حقدار ہے وہ اجلاس میں شرکت کرنے اورووٹ دینے کے لیے کسی دوسرے رکن (ممبر) کو اپنا پراکسی مقرر کرسکتا/سکتی ہے۔ پراکسیاں موثر ہونے کے لیے اجلاس کے انعقاد سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہوجانی چاہئیں۔ پراکسی کا رکن (ممبر) ہونا لازمی ہے۔

2- سی ڈی سی کے انفرادی مالک جو اس اجلاس میں شرکت کے اہل ہیں اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ اپنی شناخت کے لیے ہمراہ لائیں۔ پراکسی کی صورت میں اپنے قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کریں۔ کارپوریٹ ممبرز کے نمائندگان شناخت کے لیے اس موقع پر درکار معمول کی دستاویزات ہمراہ لے کر آئیں۔

3- دستخط کمپنی کے رجسٹرڈ نمونہ دستخط سے مماثل ہونے چاہئیں۔